

REDACTED

Rocky Mountain Power

Docket No. 22-035-01

Witness: Craig M. Eller

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF UTAH

ROCKY MOUNTAIN POWER

REDACTED

Rebuttal Testimony of Craig M. Eller

November 2022

1 **Q. Are you the same Craig M. Eller who previously filed response testimony in this**
2 **proceeding on behalf of PacifiCorp, d.b.a. Rocky Mountain Power**
3 **(“the Company”)?**

4 A. Yes.

5 **PURPOSE OF TESTIMONY**

6 **Q. What is the purpose of your testimony in this case?**

7 A. My testimony responds to the direct testimony of Mr. Philip Hayet who submitted
8 testimony on behalf of the Office of Consumer Services (“OCS” or “Office”) and the
9 testimony of Mr. Kevin Higgins who submitted testimony on behalf of the Utah
10 Association of Energy Users (“UAE”). Specifically I respond to their testimony to
11 provide additional detail around the Aeolus substation failure.

12 **Q. OCS witness Mr. Hayet contends that “Proper regulatory practice should require**
13 **shareholders, not customers, to bear the costs** [REDACTED]

14 [REDACTED]

15 [REDACTED] **”¹ Mr. Hayet then relies on this reasoning to**
16 **recommend a disallowance for this outage. Is this appropriate?**

17 A. No. While I am not an attorney, it is my understanding that the Commission has rejected
18 this policy argument and instead required Rocky Mountain Power to demonstrate the
19 prudence of its actions on a case-by-case basis. Specifically, with regards vendors and
20 contractor errors, the Commission has determined that the Company’s “reasonableness
21 and due diligence” in “entering the contractual relationship” along with the Company’s

¹ Exhibit OCS-1D, Hayet at 3:48-50.

22 “ongoing management of the relationship” were considerations.²

23 **Q. What due diligence efforts were undertaken in selecting [REDACTED]**
24 **[REDACTED]?**

25 A. PacifiCorp issued a Request for Proposals (“RFP”) and then engaged in its standard
26 construction procurement process to evaluate the various RFP bids. [REDACTED]

27 [REDACTED]
28 [REDACTED]

29 Rocky Mountain Power exercised reasonable due diligence including technical
30 questioning and review of the contractor’s plans to complete the project; culminating
31 in entering a contractual relationship [REDACTED] for design
32 and construction of the substation.

33 **Q. Did Rocky Mountain Power [REDACTED]**
34 **[REDACTED]?**

35 A. Yes, as I noted in my last round of the testimony, [REDACTED]
36 [REDACTED]
37 [REDACTED]
38 [REDACTED]
39 [REDACTED]

40 **Q. Did Rocky Mountain Power take additional steps to ensure prudent oversight of**
41 **[REDACTED] design and construction of the Aeolus**
42 **substation?**

43 A. Yes, due to the complexities and scale of the Aeolus substation project, and the overall

² Rocky Mountain Power’s Application for Approval of the 2020 Energy Balancing Account, Docket No. 20-035-01, Order at 16 (Feb. 26, 2021).

44 Gateway West project more broadly, [REDACTED]
45 [REDACTED]
46 [REDACTED]
47 [REDACTED]
48 [REDACTED]

49 **Q. Both Mr. Higgins and Mr. Hayet claim that the Company has not provided enough**
50 **information to determine the cause of the fire at the substation.³ Are you able to**
51 **provide additional information at this point in time?**

52 A. Yes, at this time, Rocky Mountain Power is able to provide a report produced by the
53 Company's expert investigator that summarizes and details the cause of the fire to
54 provide additional evidence. This report has been attached to my testimony as
55 Confidential Exhibit RMP___(CME-1R). Additionally, this report will be provided to
56 the stakeholders through discovery.

57 **Q. Can you summarize the findings of this report?**

58 A. Yes, the study confirmed the statements in my prior testimony, namely that [REDACTED]
59 [REDACTED]
60 [REDACTED]
61 [REDACTED]
62 [REDACTED]
63 [REDACTED]
64 [REDACTED]
65 [REDACTED]

³ Exhibit OCS-1D, Hayet at 5:92-95; Exhibit UAE 1.0, Higgins at 8:145-154.

66

[REDACTED]

67

[REDACTED]

68

[REDACTED]

69

[REDACTED]

70

[REDACTED]

71

[REDACTED]

72 **Q. Why has this report not been presented or provided previously to Parties?**

73 A. This report was not available. As I noted in my previous testimony, [REDACTED]

74 [REDACTED]

75 [REDACTED]

76 [REDACTED]

77 [REDACTED]

78 [REDACTED]

79 [REDACTED]

80 [REDACTED]

81 [REDACTED]

82 **Q. [REDACTED]**

83 [REDACTED], do any of their actions following the failure support the findings of the

84 report and [REDACTED]

85 [REDACTED]

86 A. Yes. [REDACTED]

87 [REDACTED]

88 [REDACTED]

89 [REDACTED]

90 [REDACTED]

91 [REDACTED]

92 **Q. Do the findings of this report support the prudence of Rocky Mountain Power's**
93 **actions with regard to the Aeolus substation fire?**

94 A. Yes, [REDACTED]

95 [REDACTED]

96 [REDACTED]

97 [REDACTED] Since discovery of the issue, PacifiCorp has taken every action to ensure
98 a safe restoration of service and ongoing reliability of the system. [REDACTED]

99 [REDACTED]

100 **Q. What is your recommendation to the Commission?**

101 A. I recommend that the Commission reject the recommendations of Mr. Hayet and
102 Mr. Higgins regarding the Aeolus substation fire, and allow for recovery of the
103 replacement power costs associated with this event. My testimony demonstrates the
104 Company was prudent in its actions.

105 **Q. Does this conclude your rebuttal testimony?**

106 A. Yes.